

INITIAL STATEMENT OF REASONS

SECTION 2130.3 (b). “A fee of \$340 shall be paid at the time a rental car agent license renewal is filed.”

SPECIFIC PURPOSE OF THE REGULATION.

The proposed regulation will establish the amount of the renewal fee for a Rental Car Agent License. The proposed regulation imposes a renewal fee of \$340.

NECESSITY

California Insurance Code section 1758.81 (Assembly Bill 62, Chapter 618, Statutes of 1999) established a procedure for applying to the Commissioner for a license as a Rental Car Agent. Pursuant to subdivision (a)(3) a fee is authorized to defray the actual costs of processing the application. Section 1758.81 (a)(3) also provides for a renewal fee. Pursuant to the statutory grant of authority establishing such a fee, Title 10 of the California Code of Regulations Section 2130.3 was adopted. Section 2130.3 set a license application fee of \$340; however, the regulation as originally adopted did not contain any reference to the amount of a license renewal fee. Without the proposed amendment, the Department of Insurance does not have regulatory authority to levy a renewal fee. The proposed regulatory amendment implements and interprets the express statutory language by designating a license renewal fee of \$340. As a result of this amendment the regulation hereby noticed will remedy the earlier omission by fully implementing, interpreting, and making specific the provisions of the law.

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS, OR DOCUMENTS.

The Commissioner did not rely upon any technical, theoretical, or empirical studies, reports or documents in proposing the adoption of this regulation.

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATION AND AGENCY’S REASONS FOR REJECTING THOSE ALTERNATIVES

No other alternatives were presented to or considered by the Commissioner. The dollar amount of the renewal fee must be established in order to fully implement section 1758.81 of the Insurance Code.

REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESS

The Commissioner has not identified any alternatives that would lessen any adverse impact on small business.

EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT ADVERSE ECONOMIC IMPACT ON ANY BUSINESS

The requirement that licensees pay a renewal fee each time they renew their license will affect small business to the extent that Rental Car Agents, as small businesses, will incur the expense. However, the Commissioner has determined that the cost of license renewal is minimal considering that this cost will typically be incurred only once every four years. Therefore, the proposed regulations would not have a significant adverse economic impact on Rental Car Agents.